

INGUBEKELA PHAMBI

2009/10 FINANCIAL YEAR

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

ZULULAND DISTRICT MUNICIPALITY

CONTENTS

1. Background to the SDBIP
2. Purpose of the SDBIP
3. Importance of SDBIP
4. The Role of Council with regards to the SDBIP
5. Role of the Accounting Officer with regards to the SDBIP
6. Key components of the 2009/10 SDBIP
7. Monthly Projections of Revenue to be collected for each Source
8. Monthly Projections of Expenditure by Source
9. Monthly Projections of Expenditure and Revenue for each vote
10. Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote
11. Detailed Capital Works Plan (MIG)
12. Approval by the Honorable Mayor

1. Background to the SDBIP

In terms of Section 69 (3) (a) of the Municipal Finance Management Act, the Municipal Manager must submit the SDBIP to the Mayor within 14 days after the approval of the Budget. The Mayor must subsequently approve the SDBIP within 28 days after the approval of the Budget in terms of Section 53 (1) (c) (iii) of the Municipal Finance Management Act. The Tabled Budget for the 2009/10 financial year was approved by Council on 28 May 2009, following an extensive public participation process to compile the Integrated Development Plan. Then the SDBIP must be reviewed quarterly in terms of S54 (1) (c).

2. Purpose of the SDBIP

The purpose of the SDBIP can be summarized as follows:

1. It is a vital link between the Mayor and the administration of the municipality;
2. It facilitates the process for holding management accountable for its performance;
3. It is a tool for implementation, management and monitoring; and
4. It further serves as the basis for the performance measurement in service delivery against the year-end targets and the implementation of the budget.

3. Importance of the SDBIP

A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, and it:

- Enables the Mayor to monitor the performance of the Municipal Manager;
- Municipal Manager to monitor the performance of the senior managers; and
- The community to monitor the performance of the municipality.

It is the excellent mechanism that produces quarterly targets that are reported to ensure implementation of the IDP. The SDBIP will also empower all councillors specifically facilitating engagement at ward level and allow them to undertake the appropriate oversight and monitoring of programs. The SDBIP will also measure in-year progress in the implementation of the budget; under spending of budget will be dealt with at early stages because it is reviewed quarterly.

These components of the SDBIP are discussed below.

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators of each vote;
- Ward information for expenditure and delivery; and
- Detailed capital works plan broken down by ward over three years.

In terms of Circular No. 13 of the MFMA No. 56 of 2003, the SDBIP must contain:

6. The key components of the 2009/10 SDBIP

1. Implement the Budget;
2. Ensure that spending is in accordance with the Budget and ensure that the expenditure is reduced when revenue is anticipated to be less than projected in the Budget or the SDBIP
3. Ensure that revenue and expenditure is properly monitored;
4. Prepare an adjustments Budget when necessary; and
5. Submit the draft SDBIP and draft annual performance agreements for the Municipal Manager and all senior managers.

The Accounting Officer must:

5. Role of the Accounting Officer in respect of the SDBIP

It is vitally important for Council to note that the components of the SDBIP are primary indicators of the municipality's performance on the annual Budget. In this regard, Councilors are encouraged to scrutinize the various components of the SDBIP and to pose questions where it is deemed necessary. This form of in-year reporting should uncover major problems and is aimed at ensuring that the Mayor and the Municipal Manager take the corrective steps when any unanticipated problems arise.

4. The Role of Council with regards to the SDBIP

7. MONTHLY PROJECTIONS OF REVENUE PER SOURCE

In terms of Section 15 of the MFMA, a municipality may, except where otherwise provided in this Act,

- incur expenditure only in terms of the approved Budget; and
- within the limits of the amounts appropriated for the different votes in the approved Budget.

One of the most important and basic priorities of a municipality is to collect all its revenue as budgeted for, failure to collect the revenue will undermine the municipality's ability to deliver services. The SDBIP contains the monthly projections of revenue to be collected per source for the 2009/10 financial year. The reason for the inclusion of this component of the SDBIP is to ensure that the municipality monitors revenue collected during the quarter as all expenditure to be incurred in terms of the approved Budget must be financed from realistically anticipated revenues to be collected.

The Accounting Officer must monitor the actual revenues received against those projected in the SDBIP and submit explanations of any remedial action to be taken to ensure that projected revenue and expenditure remain within the municipality's approved Budget. This type of information requires the municipality to take urgent remedial steps to ensure it improves on its revenue-collection capacity if it wants to maintain its levels of service delivery and expenditure.

7.1. If you go to the table for revenue by source, you notice that during quarter 2 the actual revenue for the sale of water and sewerage exceed targeted revenue which means that the municipality will be able to spend this money on operating expenditure as was budgeted for and to save a certain portion of it collection.

On investments side we notice that the targeted interest is partially more than the actual, more investments are expected to mature during the 3rd and 4th quarter. Grants and Subsidies include both operating and capital grants. If you go down again on the table below you will notice that we have targeted more grants whereas we've only received half of it during the quarter, but if we compare the two quarters that is Q1 & Q2 you notice that during quarter 1 we received more grants than what we expected which led us to have a surplus of R23 779 269 during quarter 1. Other income we have a surplus of R175 503. This implies that the municipality was able to collect its revenue especial our own revenue in both quarters compared to grants because the collection of grants depends on Government as to when did they plan to make payments according to their planning schedule, but we expecting to receive all of them by 30 June 2010. The table is attached for reference below.

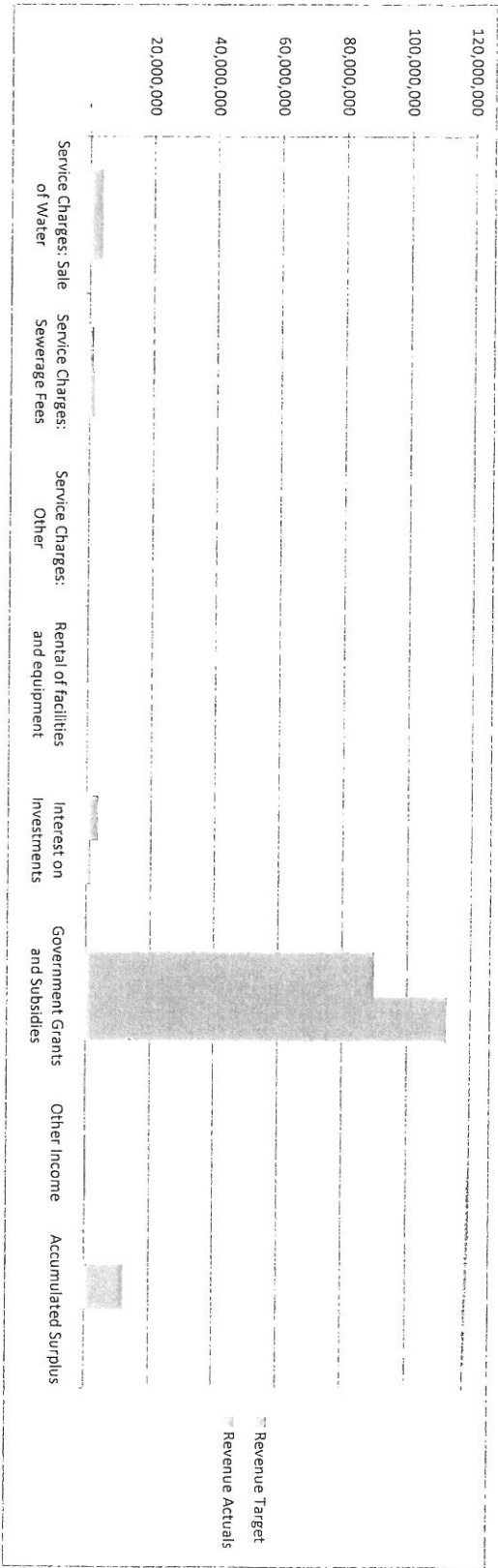
7.2. Chart 1: Monthly projections of total revenue per Source

The municipality must ensure that it has instituted measures to achieve monthly revenue targets for each revenue source. In order to ensure realistic revenue projections and ultimately balanced budgets, the Zululand District Municipality has to have comprehensive, coherent revenue policies that take into account appropriate service delivery levels, standards, ability to pay and collection efforts. As shown in this chart more revenue is received from National grants and Provincial grants and slightly on services rendered by the municipality, this is because Zululand is dominated by rural areas and low income groups households. But as said above the Zululand District Municipality was able to collect money on services rendered as you can see on table number 1 for both quarters, the actual for services are more than targeted revenue.

Monthly projections of revenue by source of Zululand District Municipality
for the Quarter ended 30 September 2009

Monthly Projections of Revenue by Source											
Revenue by Source											
	BUDGET		July		August		September		TOTALS		
	TOTAL BUDGET	Target	Actual	Variance	Target	Actual	Variance	Target	Actual	Variance	
Service Charges, Sale of Water	14,396,096	1,196,839	1,124,950	-71,889	1,196,839	1,435,049	238,210	1,196,839	1,098,873	-109,966	
Service Charges, Sewerage Fees	4,123,422	343,619	489,600	125,982	343,619	486,596	142,976	343,619	509,325	164,706	
Service Charges, Refuse	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	
Interest on Investments	13,000,000	1,083,333	457,238	-626,104	978,636	-	-478,258	1,083,333	899,597	-383,736	
Government Grants and Subsidies	359,874,000	89,706,000	97,453,938	1,747,938	19,720,000	58,441	-18,750,000	22,033	22,031,271	-22,031,271	
Other Income	280,000	23,333	58,476	33,145	19,720,000	58,441	-21,000	132,544	109,456,000	-1,938,099	
Accumulated Surplus	47,293,207	3,941,609	3,941,609	-	3,941,609	3,941,609	-	3,941,609	3,941,609	-	
TOTALS	437,912,795	96,296,733	97,503,064	1,206,331	28,239,805	5,919,335	-20,120,070	6,590,233	28,402,418	21,811,468	

Chart 1 - Revenue by source

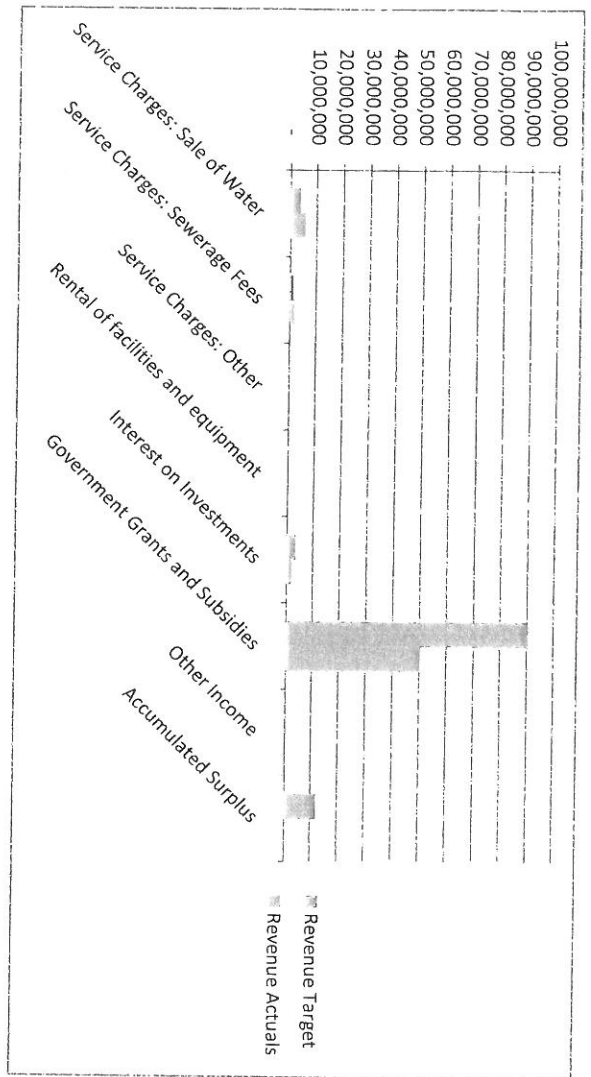


For the Quarter ended 31 December 2009

Monthly Projections of Revenue by Source

Line Item Description	October		November		December		Totals to Q2	
	Target	Actual	Target	Actual	Target	Actual	Variance	Actual
Service Charges Sale of Water	1,129,937	1,198,839	4,729,661	5,001,922	1,188,839	850,233	3,398,516	5,319,673
Service Charges Sewerage Fees	4,396,066	4,363,618	8,795,995	9,351,676	4,652,335	338,604	1,020,856	1,723,656
Service Charges Other	4,123,472	4,123,472	3,453,619	3,453,619	1,030,856	1,335,791	1,335,791	2,671,587
Interest on Bonds and Equipment	18,000,000	943,995	239,539	445,322	1,093,333	780,630	3,260,000	2,882,635
Government Grants and Subsidies	338,924,000	5,262,336	44,500,000	44,500,000	41,868,911	81,788,913	89,706,000	81,788,913
Other Income	289,000	62,333	71,333	23,333	95,806	72,473	7,000	255,000
Accumulated Surplus	47,299,307	3,641,609	3,641,609	47,768,143	41,436,180	109,476,199	112,827,739	3,346,460
TOTALS	437,912,705	96,290,733	10,421,939	6,580,733	7,608,143	45,890,733	112,827,739	3,346,460

Chart 1 - Monthly Projections of Revenue by Source Quarter 2



8. MONTHLY PROJECTIONS OF EXPENDITURE PER SOURCE

The monthly projections of expenditure per source is not included in terms of circular No 13 of the MFMA, but we as Zululand District Municipality have decided to add this component in order to see the movement of expenditure per source on monthly basis to be able to respond promptly and to initiate any remedial steps when necessary.

8.1. On the table below except for employee related cost and repairs and maintenance there is a little difference between the targeted expenditure and actual expenditure. The for salaries, social contribution and councilors remuneration there is a huge variance which was caused by misallocation of integration but recons are done to correct that. The recons are expected to be complete by 28 February 2010. There is also a huge variance on repairs and maintenance this is because invoices are paid in arrears.

Monthly projections of expenditure by source of Zululand District Municipality
for the Quarter ended 30 September 2009

Monthly Projections of Expenditure by Source										
Expenditure by Source	BUDGET		July		August		September		Totals to Q1	
	TOTAL BUDGET	Target	Actual	Variance	Target	Actual	Variance	Target	Actual	Variance
Operating Expenditure										
Employee related costs, wages and salaries	54 643,564	4,553,630		-4,553,630	4,553,630	9 927 041	5,373,410	4,553,630	5,059,701	506,071
Employer related costs social contribution	11,116,285	928,385		-928,385	928,385	1 840 451	714,096	928,385	842,685	-83,698
Remuneration of Councillors	5 357,599	446,467		-446,467	446,467	325,705	-120,761	446,467	446,467	-
Bad debts	-	-		-	-	-	-	-	-	-
Collection costs	171,526	14,294		-14,294	14,294	-	-14,294	14,294	-	-42,862
Depreciation	-	-		-	-	-	-	-	-	-
Repairs and maintenance	30 244,366	2,545,364	228,618	-2,316,746	2,545,364	87,009	-2,458,355	2,545,364	873,131	-1,672,233
Interest on external borrowings	594,509	49,542	56,046	6,504	49,542	55,076	5,533	49,542	52,350	2,808
Redemption	-	-		-	-	-	-	-	-	-
Bulk purchases	32 510,284	2,709,190	513,972	-2,195,218	2,709,190	4 352,799	1 843,609	2,709,190	3,284,730	555,539
Grants & Subsidies paid	844,658	70,388	-	-70,388	70,388	-	-70,388	70,388	-	-70,388
Inter-Departmental	840,141	70,012	-	-70,012	70,012	19,407	-50,605	70,012	62,031	-7,981
Contracted services	3 429,829	285,819	302,391	-16,572	285,819	315,691	29,872	285,819	301,865	16,046
General expenses - other (including abnormal expenses)	100 802,415	8 408,535	1 807,576	-6 600,959	8 408,535	4 136,250	-4 272,285	8 408,535	4 042,024	-4,366,510
Loss on disposal of property, plant and equipment	-	-		-	-	-	-	-	-	-
Total Operating Expenditure	240 555,146	20 079,596	2 808,604	-17 170,591	20 079,596	20 859,429	779,833	20 079,596	14 458,517	-6,581 078
Capital Expenditure										
Total asset from own funds	13 565,690	1,130,471		-1,130,471	1,130,471	269,732	-860,739	1,130,471	102,200	-1 028,271
Total asset from grants & subsidies	183 592 000	15 282 667	115,318	-15,167 349	15 282 667	9 405 850	-5 876 817	10 489 036	10 489 036	-
Total Operating Expenditure	196 957,690	16 413,138	115,318	-15,287 820	16 413,138	9 675,582	-6 737 556	10 591,236	10 591,236	-
TOTAL EXPENDITURE	437 512 796	36 492 733	3 023,922	-33 468 811	36 492 733	30 535,011	-6 967 722	30 670 831	25 049 753	-6,581 078

Monthly projections of expenditure by source of Zululand District Municipality for the Quarter ended 31 December 2009

Monthly Projections of Expenditure by Source

[illegible]

9. PROJECTIONS OF REVENUE & EXPENDITURE PER VOTE

It is important to view expenditure in relation to the revenue used to finance it. In this context, it is easy to see when expenditure exceeds Revenue and the necessary remedial steps can then be taken to correct this situation. Failure to monitor expenditure in relation to Revenue will seriously hamper the municipality's ability to achieve its strategic goals for the year.

9.1. Chart 2: Monthly Projections of Expenditure and Revenue per Vote

Compares the planned revenue and expenditure for the 2009/10 financial year. Looking at this quarter ended 31 December 2009 from the chart below, it is evident that the Zululand District Municipality had spent the bulk of its Budget on its core function, i.e. water because this chart clearly shows that expenditure actual on Water vote are more than revenue actual. It is clear that Zululand District Municipality has spent a lot in the provision of water to the community that it serves.

Looking also at our departmental votes, there is a huge variance between budgeted expenditure(target) and the actual expenditure, this shows that the budget was not fully utilized during the second quarter and we need to spend more on capital grants because in terms of GRAP, grant that is not spent becomes a liability to the municipality. On finance vote grants were received during the first quarter compared to the second quarter whereas in water vote more grants were received in the second quarter compared to the first quarter.

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 30 September 2009

Monthly Projections for expenditure and revenue by vote		APPROVED BUDGET		
Department		Operating Exp	Capital Exp	Revenue
Executive and Council		31,907,616	-	-
Finance		15,755,098	2,272,806	220,376,307
Corporate Services		24,241,774	2,382,844	5,323,000
Planning, WSA & Comm. Dev.		48,938,770	-	5,721,000
Water		114,435,368	192,302,000	202,369,066
Waste Water Management		5,676,520	-	4,123,422
Total		240,965,146	196,957,650	437,912,795

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 30 Se

Monthly Projections for expenditure and revenue by vote		July									
Department		Operating Exp	Actual Opex	Variance	Capital Exp	Actual	Variance	Revenue	Actual	Variance	
Executive and Council		2,658,968	813,721	-1,845,247	-	124,236	124,236	-		-	
Finance		1,312,925	74,149	-1,238,776	189,401		-189,401	55,094,077	66,799,543	11,705,466	
Corporate Services		2,020,148	419,288	-1,600,860	198,570		-198,570	2,662,500		-2,662,500	
Planning, WSA & Comm. Dev.		4,078,231	680,191	-3,398,040	-		-	1,430,250		-1,430,250	
Water		9,536,281	472,473	-9,063,808	16,025,167	115,318	-15,909,849	26,532,796		-26,532,796	
Waste Water Management		473,043	29,912	-443,131	-		-	469,484		-469,484	
Total		20,079,596	2,489,734	-17,589,862	16,413,137	239,554	-16,173,584	86,189,106	66,799,543	-19,389,563	

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 30 Se

Monthly Projections for expenditure and revenue by vote						August					
Department	Operating Exp	Actual	Variance	Capital Exp	Actual	Variance	Revenue	Actual	Variance		
Executive and Council	2,658,968	1,790,317	-868,651	156,070		-156,070	-				
Finance	1,312,925	1,537,339	224,414	189,401		-189,401		36,338	36,338		
Corporate Services	2,020,148	2,830,970	810,822	198,570	750	-197,820					
Planning, WSA & Comm. Dev.	4,078,231	3,191,779	-686,452	-	26,000	26,000					
Water	9,536,281	9,403,462	-132,819	16,025,167	12,054,872	-3,970,295		1,455,191	1,455,191		
Waste Water Management	473,043	522,823	49,780	-		-		486,595	486,595		
Total	20,079,596	19,276,688	-802,907	16,569,208	12,081,622	-4,487,586	-	1,978,124	1,978,124		

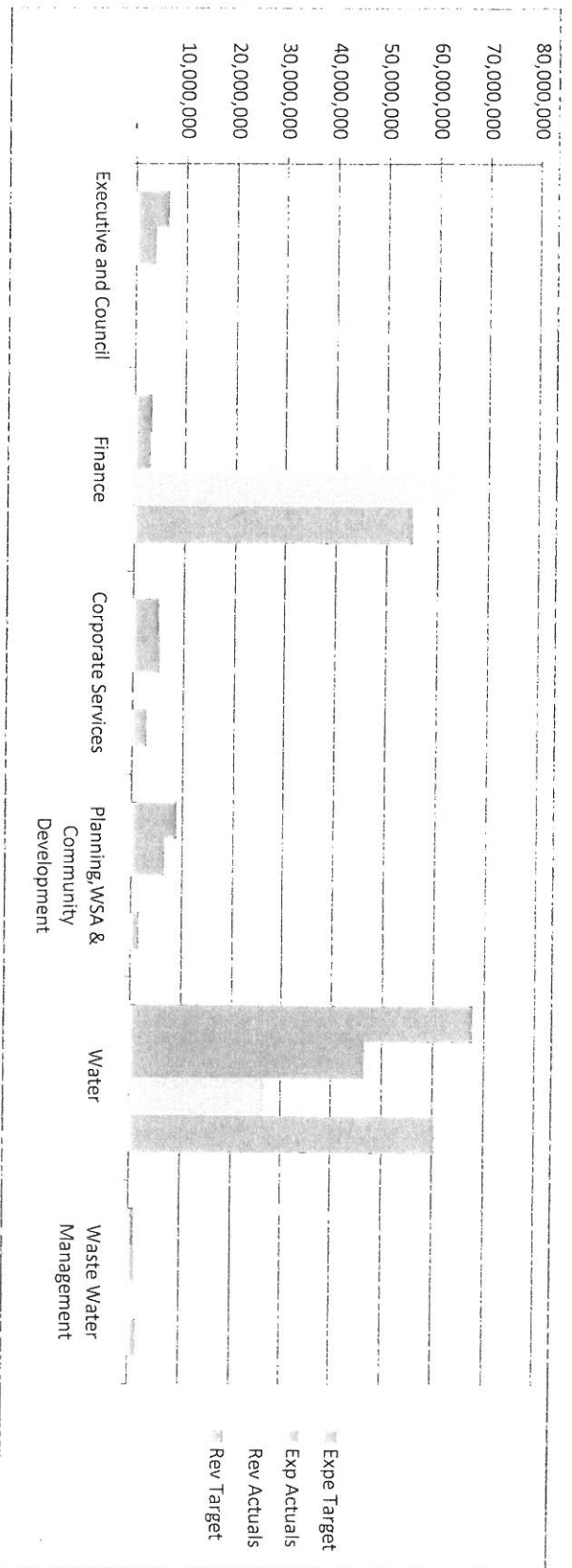
Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 30 Se

Monthly Projections for expenditure and revenue by vote				September					
Department	Operating Exp	Actual	Variance	Capital Exp	Actual	Variance	Revenue	Actual	Variance
Executive and Council	2,658,968	1,153,197	-1,505,771	156,070		-156,070	-		-
Finance	1,312,925	1,278,403	-34,522	189,401	78,790	-110,611		779,130	779,130
Corporate Services	2,020,148	1,976,610	-43,538	198,570	23,410	-175,160	-		-
Planning, WSA & Comm. Dev.	4,078,231	2,471,408	-1,606,823	-		-		6,271	6,271
Water	9,536,281	13,883,415	4,347,134	16,025,167	10,489,036	-5,536,131	33,728,178	24,990,651	-8,737,527
Waste Water Management	473,043	497,484	24,441	-		-	1,030,856	508,325	-522,531
Total	20,079,596	21,260,516	1,180,921	16,569,208	10,591,236	-5,977,972	34,759,034	26,284,376	-8,474,657

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 30 Se

Monthly Projections for expenditure and revenue by vote	Totals to Quarter 1					
Department	Target Opex	Actual Opex	Variance	Target Rev	Actual Rev	Variance
Executive and Council	6,443,798	3,881,471	-2,562,326	-	-	-
Finance	3,268,201	2,968,681	-299,520	55,094,077	67,615,011	12,520,934
Corporate Services	5,055,294	5,251,027	195,733	2,662,500	-	-2,662,500
Planning, WSA & Comm. Dev.	8,836,652	6,369,377	-2,467,275	1,430,250	6,271	-1,423,979
Water	67,620,534	46,418,576	-21,201,958	60,260,973	26,445,842	-33,815,131
Waste Water Management	975,999	1,050,219	74,220	1,500,340	994,920	-505,420
Total	92,200,479	65,939,350	-26,261,128	120,948,140	95,062,043	-25,886,096

Chart 2 - Revenue & Expenditure by Vote Quarter 1



Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 31 December 2009

Monthly Projections for expenditure and revenue by vote	APPROVED BUDGET		
	Operating Exp	Capital Exp	Revenue
Department			
Executive and Council	31,907,616	-	-
Finance	15,755,098	2,272,806	220,376,307
Corporate Services	24,241,774	2,382,844	5,323,000
Community Development	38,002,628	-	1,349,000
Planning & WSA	10,936,142	-	4,372,000
Water	114,435,368	192,302,000	202,369,066
Waste Water Management	5,676,520	-	4,123,422
Total	240,955,146	196,957,650	437,912,795

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 31 De

Monthly Projections for expenditure and revenue by vote				October							
Department	Operating Exp	Actual Opex	Variance	Capital Exp	Actual	Variance	Revenue	Actual	Variance		
Executive and Council	2,658,968	1,908,681	-750,287	-	124,236	124,236	-	-	-	-	-
Finance	1,312,925	869,261	-443,664	189,401	78,774	-110,627	55,094,077	856,764	-54,237,313	-	-
Corporate Services	2,020,148	1,228,222	-791,926	198,570	4,477	-194,093	2,662,500	-	-2,662,500	-	-
Community Development	3,166,886	5,801,867	2,634,981	-	-	-	-	767,602	767,602	-	-
Planning & WSA	911,345	107,206	-804,139	-	-	-	-	-	-	-	-
Water	9,536,281	16,778,916	7,242,635	16,025,167	17,906,699	1,881,532	26,532,796	5,081,366	-21,451,430	-	-
Waste Water Management	473,043	673,606	200,563	-	-	-	469,484	24,564	-444,920	-	-
Total	20,079,596	27,367,759	7,288,163	16,413,137	18,114,186	1,701,048	84,758,856	6,730,296	-78,028,560	-	-

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 31 De

Monthly Projections for expenditure and revenue by vote		November							
Department	Operating Exp	Actual	Variance	Capital Exp	Actual	Variance	Revenue	Actual	Variance
Executive and Council	2,658,968	1,312,495	-1,346,473	156,070	-	-156,070	-	-	-
Finance	1,312,925	379,287	-933,638	189,401	-	-189,401	-	738,249	738,249
Corporate Services	2,020,148	403,703	-1,616,445	198,570	529,627	331,057	-	39,800	39,800
Community Development	3,166,886	2,892,109	-274,777	-	3,378	3,378	-	2,946	2,946
Planning & WSA	4,078,231	35,804	-4,042,427	-	-	-	-	-	-
Water	9,536,281	7,095,736	-2,440,545	16,025,167	19,233,152	3,207,985	33,728,178	53,953,253	20,225,075
Waste Water Management	473,043	307,021	-166,022	-	-	-	1,030,856	859,295	-171,561
Total	23,246,482	12,426,155	-10,820,327	16,569,208	19,766,157	3,196,949	34,759,034	55,593,543	20,834,509

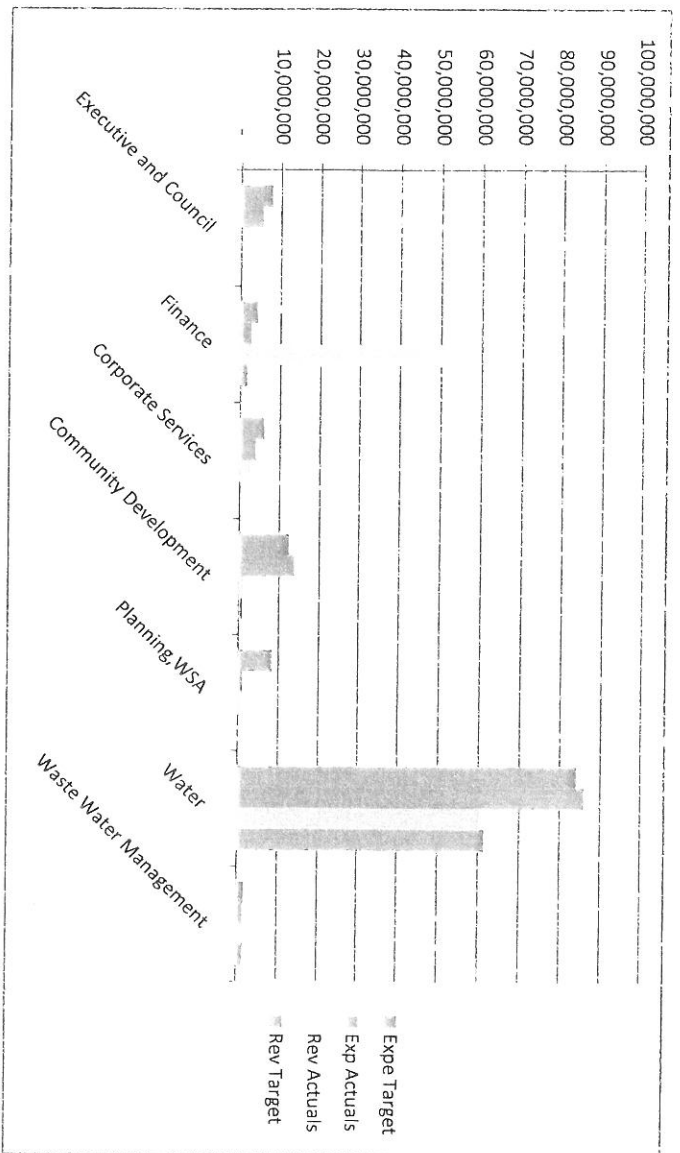
Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 31 De

Monthly Projections for expenditure and revenue by vote				December					
Department	Operating Exp	Actual	Variance	Capital Exp	Actual	Variance	Revenue	Actual	Variance
Executive and Council	2,658,968	1,868,840	-790,128	156,070	-	-156,070	-	-	-
Finance	1,312,925	1,204,923	-108,002	189,401	17,820	-171,581	-	1,065	1,065
Corporate Services	2,020,148	1,615,999	-404,149	198,570	10,160	-188,410	-	-	-
Community Development	3,166,886	4,867,180	1,700,294	-	-	-	1,349,000	-	-1,349,000
Planning & WSA	4,078,231	711,273	-3,366,958	-	-	-	980,583	-	-980,583
Water	9,536,281	13,935,217	4,398,936	16,025,167	10,781,500	-5,243,667	-	2,221,096	-980,583
Waste Water Management	473,043	290,560	-182,483	-	-	-	-	452,233	452,233
Total	23,246,482	24,493,992	1,247,510	16,569,208	10,809,480	-5,759,728	2,329,583	2,674,394	344,811

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter ended 31 De

Department	Totals to Quarter 2					
	Target Opex	Actual Expe	Variance	Target Rev	Actual Rev	Variance
Executive and Council	7,538,758	5,214,252	-2,324,506	-	-	-
Finance	4,063,313	2,550,065	-1,513,248	55,094,077	1,596,078	-53,497,998
Corporate Services	5,864,229	3,792,188	-2,072,041	2,662,500	39,800	-2,622,700
Community Development	12,135,639	13,564,534	1,428,895	1,349,000	770,548	-578,452
Planning & WSA	8,263,668	854,283	-7,409,385	980,583	-	-980,583
Water	83,926,977	86,731,219	2,804,242	60,260,974	61,256,715	994,741
Waste Water Management	1,619,693	1,271,187	-348,506	1,500,340	1,336,092	-164,248
Total	123,412,276	113,977,728	-9,434,548	121,847,473	64,998,233	-56,849,239

Chart 2 - Monthly Projections of Expenditure by Vote Quarter 2



10. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS OF EACH VOTE

In terms of the SDBIP, Zululand District Municipality is required to provide non-financial measurable performance objectives in the form of service delivery targets and other performance indicators. Service delivery targets relate to the level and standards of service being provided to the community, and include targets for the reductions in backlogs of basic services.

The goals and objectives set by Council as quantifiable outcomes that should be implemented by the administration over the next financial year are indicated on the sheet below.

Key Objective	Objective	Indicator	KPI No	Standard	Responsibility	MM	Baseline Mun	Mun Unacceptable performance (1)	Mun Performance not fully effective (2)	Mun Fully effective (3)	Mun performance significantly above expectations (4)	Mun Outstanding Performance (5)	Mun Agreed evidence
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To provide free basic water	Sec 43 (Reg 10 (a)) : Percentage of households with access to basic level of water	1	WSA std: 25kl per day or 6kl per household per month, within 200m. Minimum flow rate of 10l/minute	HOD:TS		52.20%	57.70%	58.10%	58.40%	58.80%	59.10%	Design report and Engineer's certificate of completion indicating no. Of hh and communities served.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To provide access to water	Percentage of households with access to RDP level of water	1.2	toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection	HOD:TS		41.90%	45.30%	45.70%	46.00%	46.40%	46.70%	Design report and Engineer's certificate of completion indicating no. Of hh and communities served.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To provide free basic sanitation services	Sec 43(Reg 10 (a)) : Percentage of households with access to basic level of sanitation	2	toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection	HOD:TS		41.90%	45.30%	45.70%	46.00%	46.40%	46.70%	Design report, interim report and or Engineer's certificate of completion indicating no. Of hh and communities served.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve on the quality of water delivered	% of samples that pass laboratory tests	3.1	SABS Water quality standards for domestic water apply	HOD:TS		440	495	550	605	660		Sample tests results as certified by the lab, control limits for fluoride, bacteriological testing
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve on the quality of water delivered	% of passed samples that are within the the specified control limits for fluoride results	3.2		HOD:TS								Sample tests results as certified by the lab, control limits for fluoride, bacteriological testing
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve on the quality of water delivered	% of passed samples that are within the the specified control limits for bacteriological results	3.3		HOD:TS								Sample tests results as certified by the lab, control limits for fluoride, bacteriological testing
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To reduce water loss	Water loss operational plan completed by specified date	3.5		HOD:PCD			30/08/2010	30/07/2010	30/06/2010	31/05/2010	30/04/2010	Approved water loss operational plan, water loss strategy
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve water supply reliability	Cumulative water supply interruption time per plant less than specified target	4		HOD:TS			25	20	15	10	5	Register, signed by the HOD, of interruptions & notices issued.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To provide cost effective water services	Average annual percentage increase in water services tariff	5		CFO	MM		CPI +5%	CPI + 3%	CPI +1%	CPI	CPI -1%	Certified Schedule of approved tariffs compared to CPI as issued by STATSSA
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve access to free water	Sec 43(Reg 10 (b)) : Percentage of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included)	7	ZDM Rudimentary Water supply standard minimum of 5 l/person/day within 800 m of the household, flow rate of 3.3 l/min	HOD:TS		52.80%	60.40%	60.90%	61.40%	61.90%	62.40%	Design report and Engineer's certificate of completion indicating no. Of hh and communities served.

To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve access to free sanitation	Sec 43 (Reg 10 (b)): Percentage of households earning less than R1100 pm with access to free sanitation	8		HOD:TS		21-20%	24-60%	24-70%	25-20%	25-60%	Design report and Engineer's certificate indicating no. Of hh and communities served.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To implement operational plan	% progress of planned activities			HOD:TS				80%			WSDP Roll out plan with activities, target dates and actual progress
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To implement effective Customer Care	Average feedback time to customer query or complaint	8.1		HOD:TS	24 hrs	4 hrs	12 hrs	24 hrs	48 hrs	72 hrs	Sisa Report that details first and follow up contact dates and time periods
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To implement effective Customer Care	% of water complaints that are unresolved after the agreed upon resolution period	9		HOD:TS							Isolation approval register maintained by DD, Sisa Report of % closed complaints within standard time for resolution based on complaint type.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To implement effective Customer Care	% of sanitation related complaints that are unresolved after the agreed upon resolution period	9.1		HOD:TS							Isolation approval register maintained by DD, Sisa Report of % closed complaints within standard time for resolution based on complaint type.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To implement effective Customer Care	Percentage of notifications that did not conform to minimum notification periods for planned interventions	9.2		HOD:TS							Register, signed by the HOD, of interruptions & notices issued.
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To improve revenue collection	Sec 43 (Reg 10 (d)): Outstanding Debtors to Revenue	10.1		CFO		0.48	0.32	0.25	0.23	0.2	Ratio calculated from AFS figures signed by the CFO, outstanding service debtors and annual revenue actually received
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To effectively utilise MIG allocation	MIG grant funds spent on approved projects by the prescribed date	12		HOD:TS		later than 15 Apr 2010	By 15 Apr 2010	By 31 Mar 2010	By 15 Mar 2010	By 28 Feb 2010	Ledger expenditure certified by the CFO.
To deliver and regulate water services in a structured manner	To ensure that legislated water policies are reviewed and updated	Water policies and bylaws reviewed by target date	14		HOD:PCD	MM 9	30/06/2010	30/07/2010	30/06/2010	31/05/2010	30/04/2010	Certified council resolution
To deliver and regulate water services in a structured manner	To effectively monitor WSPs	WSP average performance within specified quality limits	18		HOD:PCD	12	4	6	8	12	18	Performance and quality reports signed by HODs, standards and control limits for performance measurement of water quality, costs, testing compliance
To visibly establish, operate & maintain a Regional Airport that contributes to the growth & development of the district	To implement activities in airport implementation plan	% progress of air port implementation plan	19		HOD:PCD		30/08/2010	30/07/2010	30/06/2010	31/05/2010	30/04/2010	progress report detailing project plan activities and progress, submitted and approved by MM
To promote Tourism in the District	To create promotional material	Number of tourism packages created for prioritised areas	20		HOD:PCD							Number of packages that are approved Tourism portfolio committee
			20.3									

To deal with Disasters efficiently & effectively in the district	To review and facilitate the district wide Disaster Plan	Updated plan that complies with sections 52, 53 of the Disaster management act 57 of 2002, submitted to council by a specified date		HOD:CS	30/08/2010	30/07/2010	30/06/2010	31/05/2010	30/04/2010	Acknowledgement of receipt by MM, Disaster management Act and the actual plan	
To deal with Disasters efficiently & effectively in the district	To create awareness of hazards and disasters	Number of planned awareness campaigns held	23	Disaster Management Act 2002 HOD:CS		2	6	8	10	12	planned campaigns, artefacts supporting the occurrence of the campaign.
To promote Tourism in the District	To create an effective electronic interface that promotes tourism	Compilation of Tourism statistics by specified date	23.3	HOD:P&CD	3	30/08/2010	30/07/2010	30/06/2010	31/05/2010	30/04/2010	Minutes confirming statistical reports tabbed to PFC
To improve the economy of the district, through the creation of job opportunities and additional economic activities	To effect participation in LED	Sec 43 (Reg 10 (d)): Number of jobs created through LED & Capital programme	26	HOD:P&CD	600	200	300	400	500	600	IMPI report on jobs created
To improve the economy of the district, through the creation of job opportunities and additional economic activities	To create LED awareness in the District	Number of LED awareness events held	30	HOD:P&CD	8	4	6	8	12	14	Minutes confirming reports tabbed to PFC
To improve the economy of the district, through the creation of job opportunities and additional economic activities	To apply for funding for LED	Number of LED business plans that are submitted	31	HOD:P&CD	16	4	6	10	14	16	Confirmation of receipt by funders
To reduce the impact of HIV/AIDS	To create HIV/AIDS awareness and education	Number of planned awareness campaigns held	32	HOD:CS	5	8	10	11	13		planned campaigns, artefacts supporting the occurrence of the campaign
To reduce the impact of HIV/AIDS	To plan and implement institutional measures that would reduce the impact of HIV/AIDS	HIV/AIDS Strategy reviewed and submitted to MM by planned date	36	HOD:CS	30/08/2010	30/07/2010	30/06/2010	31/05/2010	30/04/2010		acknowledgement of receipt by MM
To develop and empower Youth & Gender	To provide access to and awareness of Council's Youth & Gender programmes	Number of approved programmes held	38	HOD:CS	3	4	5	6	7		Approval = Number of Programmes that are budgeted for, artefacts that prove the occurrence of the event, if programmes are funded from
To develop and empower Youth & Gender	To access sufficient resources	Number of Youth & Gender related Business Plans submitted for funding	41	HOD:CS	0	1	2	3	4		Confirmation of submission
To develop and empower Youth & Gender	To strategically plan development and empowerment initiatives for youth and gender	Youth & Gender Strategy reviewed and submitted to MM by specified date	42	HOD:CS	30/08/2010	30/05/2010	30/04/2010	30/03/2010	28/02/2010		Acknowledgement of receipt by MM, Signed strategy approved by MM
To develop and empower Youth & Gender	To create a platform for input and comments	Number of District Youth & Gender Council Meetings	43	HOD:CS	4	5	6	7	8		Signed minutes
			44								

Municipality 2007/2008

To reduce poverty by implementing projects in the communities in ZDM	Community Development Projects	Number of people participating in Councils Capacity Building Programmes			300	400	500	650	700	Monthly reports by facilitators signed by DD
The social upliftment of the communities in ZDM	To increase available resources for poverty reduction programmes	Number of Capacity Building related Business Plans submitted	HODCS		2	3	4	6	8	Confirmation of submission
To transform the organisation	To improve the employment levels for targeted groups	Sec 43 (Reg 10 (e)): Number of EE Target groups employed in three highest levels of management	MM	MM	11	12	13	14	15	Letters of appointment
To Build capacity to lead and manage development in Zululand	To improve the employment levels for targeted groups	Number of women employed in the three highest management levels in the municipality (<i>(consolidated figure)</i>)	MM	MM	1	2	4	5	6	Letters of appointment
To promote good financial practices	To produce accurate statements	Number of adjustments effected in relation to the number of accounts issued	CFO		0,75%	0,70%	0,50%	0,40%	0,25%	Venus report on accounts issued and listing of accounts where adjustments were authorised
To promote good financial practices	To process payments in time	Average processing time for invoices of approved work/services	CFO		60 days	45 days	30 days	15 days	7 days	Dated sample cheque register, Report listing duration of invoice per processing stage
To promote good financial practices	To complete and submit accurate annual financial statements within the specified time period	Date Financial Statements submitted to office of AG	CFO	MM	2/09/2010	1/09/2010	31/08/2010	15/08/2010	01/08/2010	Report receipt of statements by AG
To promote good financial practices	To complete and submit accurate annual financial statements within the specified time period	Nature of Audit Opinion	CFO		Disclaimer	Qualified	Unqualified			AG Audit Report
To promote good financial practices	To complete and submit accurate annual financial statements within the specified time period	Number of matters of concern reported	CFO		Less than 15 matters of concern	Less than 10 matters of concern	Less than 8 matters of concern	Less than 6 matters of concern	No matters of concern	AG Audit Report
To promote good financial practices	To complete a budget within the specified time period	Date of approval of Tabled Budget	CFO		30/4/2010	1/04/2010	31/03/2010			Council resolution
To promote good financial practices	To complete a budget within the specified time period	Final Budget approved by specified date	CFO		30/06/2010	1/07/2010	30/06/2010	31/05/2010	prior to 31/05/2010	Council resolution
To promote good financial practices	To have an effective Auditing Function	number of planned Audit and performance management committee Meetings held	CFO		2	3	4	5	6	Signed receipt of reports by MM, planned number of audit meetings
To promote good financial practices	To have an effective Auditing Function	Percentage of Audit and performance management resolved (i.e. actions implemented) within the next financial year	CFO		40%	50%	75%	85%	100%	Internal audit report
To promote good financial practices	To develop a Financial Plan (i.e. Budget Process and Time Table)	Financial Plan approved by specified date	CFO	- - -	by 1/07/2010	after 01/07/2010	30/06/2010	prior to 31/05/2010	prior to 31/05/2010	Certified Council resolution
					59					

To be a financially viable municipality	To increase the cost coverage ratio	Sec 43 (Reg 10 (g)(iii)): Cost Coverage	60		CFO		3	<6	6	8	12	Ratio calculated from AFS figures signed by the CFO	
To be a financially viable municipality	To increase the debt coverage ratio	Sec 43 (Reg 10 (g)(iii)): Debt Coverage Ratio			CFO		3	<6	6	8	12	Ratio calculated from AFS figures signed by the CFO, report listing operating revenue, operating grants and service payments	
To be a financially viable municipality	To provide sufficient cash resources	DTLGA: % operating budget funded from cash	61		CFO	MM	92%	94%	96%	98%	100%	Investments and monthly operating expenditure	
To be a financially viable municipality	To keep a minimum cash balance to cover average monthly expenditure	Number of days with excessive funds in current account in relation to the strategy	62		CFO		180	120	60	30	15	1. Strategy as approved by MM 2. Cashbook balance at month end, Investment Policy, Investment Report	
To promote good governance,	To collate customer satisfaction data	DTLGA: Date of Annual Customer Satisfaction	63		HODCS		2010/05/31	2010/04/01	2010/03/31	28/02/2010	31/01/2010	Certified EXCO minutes on report submitted	
To promote good governance,	Policies & bylaws	Date of revision of all Policies & Bylaws	64		HODCS	MM	31/05/2009	30/08/2010	1/07/2010	30/06/2010	31/05/2010	30/04/2010	Certified Council resolution
To promote good governance,	Policies & bylaws	Date of submission of reviewed Delegated Powers	65		MM	MM	30/06/2010	1/07/2010	30/06/2010	31/05/2010	30/04/2010	Certified Council Minutes	
To promote good governance, accountability & transparency	Policies & bylaws	Date of submission for Bylaws for Promulgation	66		HODCS		120	90	60 days after adoption	30	15	Signed receipt by department	
To promote good governance, accountability & transparency	Policies & bylaws	Date of submission of reviewed Employee Assistance Programme	67		HODCS		30/08/2010	2010/07/01	2010/06/30	2010/05/31	2010/04/30	Approved programme signed by MM	
To be a financially viable municipality	To report timely and accurately	Date of approval of Annual Report	68		CFO	MM	2010/05/31	2010/04/01	2010/03/31	up to 28/02/2010	up to 31/01/2010	Certified Council Minutes	
To be a financially viable municipality	To report timely and accurately	Date of receipt of SDBIP by Mayor	69		CFO		2010/07/30	2010/07/15	by 2010/07/14	prior to 14/07/2010	up to 2010/06/15	SDBIP signed and dated by Mayor	
To be a financially viable municipality	To report timely and accurately	To submit SDBIP reports to CFO	71.1		HOD's		2	3	4	8	12	acknowledgement of receipt of cash flow projections by CFO	
To promote good governance, accountability & transparency	To communicate in a structured manner	Communication Plan reviewed for the year			HODCS		01/08/2010	1/07/2010	30/06/2010	31/05/2010	30/04/2010	Acknowledgement of receipt by MM	
To progressively provide a cost effective, reliable water services at a good quality to all potential customers in the district	To maximise the implementation of IDP identified projects	Sec 43 (Reg 10 (c)): % of capital budget actually spent on projects identified in IDP	74		HODTS	MM	80%	90%	100%			Ledger expenditure certified by the CFO.	
To promote good governance, accountability & transparency	To spend grant funding	Percentage of department allocated grant funds that were received that was spent (prior to approval of adjustment budget)	75		HOD's		<90%	<95%	100%			Ledger expenditure certified by the CFO.	
To promote good governance, accountability & transparency	To build capacity training in Workplace Skills Plan actually trained	% of staff scheduled for training in Workplace Skills Plan actually trained	77		HODCS		80%	90%	100%	105%	110%	WSP report	
To promote good governance, accountability & transparency	To build capacity	Sec 43 (Reg 10 (f)): % of Municipal Budget actually spent on Skills Development Plan	78		HODCS		80%	90%	100%	105%	110%	Monthly report from Venus	
To be a financially viable municipality			79										

To promote good governance, accountability & transparency	To comply with directives	DTLGA: Number of full time councillors appointed in relation to number approved by MEC	80		MM													Payday report
To improve the economy of the district, through the creation of job	To effectively contribute to LED in the District	LED Plan reviewed and approved (including Tourism, Business & Forens meetings held	33			31/08/201	30/07/2010	1/06/2010	30/05/2010	31/04/2010	30/03/2010							Certified Council resolution
To improve the economy of the district, through the creation of job opportunities and additional economic activities	To effectively co-ordinate LED in the District	Number of LED Forums/Sub-Forums meetings held				9	3	6	9	12	15							Signed minutes of LED meetings, agenda of meetings
To be a financially viable municipality	To report timely and accurately	Number of SDBIP reports tabled	34				2	3	4	8	12							Certified EXCO minutes on report submitted
To promote tourism in the District	To provide support and capacity building to local tour offices	% of planned tourism liaison meetings held	71															Planned tourism liaison meetings, agenda, Signed Minutes
To promote integrated & co-ordinated development within the District	To encourage participation in IDP process, ensure alignment with Local Municipalities	% of Alignment meetings held	35.6															Signed minutes and certification of public meetings by CFO, planned number of meetings as per framework plan.
			81															

ZULUANA DISTRICT MUNICIPALITY 2009/2010
Council Key Performance Indicators

To promote integrated & co-ordinated development within the District	To ensure timely completion of IDP Process plan	Date of adoption of Process Plan		HOD/PCD	31-Aug-08	After 2009/09/30	> 2009/09/31	by 2009/09/31	2009/08/31	2009/07/30	Certified EXCO Minutes
To promote integrated & co-ordinated development within the District	To ensure timely submission of Framework plan	Date of submission of Framework Plan	83	HOD/PCD	31-Aug-08	After 2009/09/30	> 2009/09/31	by 2009/09/31	2009/08/31	2009/07/30	Confirmation of receipt by local municipalities
To be a financially viable municipality	To align Capital Programme and IDP	% of capital projects budgeted for in accordance with the IDP	84	CTO		80%	55%	100%			Budget & IDP
			82								

11. DETAILED CAPITAL WORKS PLAN (MIG CASH FLOW)

DC26 - ZULULAND DISTRICT MUNICIPALITY

2009/2010 Financial Year - MIG

09/10 Projected

Agent	Project Title	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Annual Value
DC 26 Zululand	PMU	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	INKOJENI: Reg. Water Supply Scheme Ph 1	1,455,046	1,455,538	1,312,473	1,312,473	1,603,837	1,312,473	1,008,652	1,391,847	1,594,397	1,391,875	793,447	591,833	13,853,433
DC 26 Zululand	INKOJENI: Reg. Water Supply Scheme Ph 2	1,451,151	1,405,105	1,465,520	1,462,312	2,145,581	1,602,312	938,996	1,248,486	1,391,497	2,207,684	1,187,199	923,238	18,166,544
DC 26 Zululand	INKOJENI: Reg. Water Supply Scheme Ph 3	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	INKOJENI: Reg. Water Supply Scheme Ph 4	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	Remedial Water Supply Programme Ph 2	753,823	235,686	133,865	205,395	0	675,880	488,783	1,250,486	1,093,642	800,000	1,090,000	610,656	6,864,366
DC 26 Zululand	Shindengenathi Central Water Supply Ph 2	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	Coronation Regional Water Supply - Emyah	0	61,264	0	339,193	194,828	1,112,524	634,040	597,170	446,672	1,329,186	414,000	440,000	5,773,837
DC 26 Zululand	Umtshu Regional Ph1	514,323	2,152,993	2,812,654	765,788	1,962,541	1,313,537	461,724	430,738	1,877,412	2,800,940	2,850,000	3,850,000	21,266,088
DC 26 Zululand	Umtshu Regional Ph2	0	0	0	0	675,100	0	0	0	0	0	0	0	873,100
DC 26 Zululand	Umtshu Regional Ph3	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	Umtshu Regional Ph4	0	0	0	0	0	260,487	0	0	0	0	0	0	0
DC 26 Zululand	Umtshu Regional Ph5	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	Mandlazi: RVSS Ph 3C	1,057,453	0	991,526	544,502	0	376,439	0	0	18,664,497	339,745	0	0	23,034,476
DC 26 Zululand	Emongeni Sports Field	0	0	0	0	0	0	0	0	778,218	982,107	1,352,634	1,243,528	4,132,482
DC 26 Zululand	Indaba Sports Field	0	0	87,200	0	0	0	0	466,097	0	0	1,342,140	1,343,140	3,191,386
DC 26 Zululand	Indaba Sports Field	0	0	36,974	0	0	0	0	486,468	0	0	683,432	683,432	1,343,140
DC 26 Zululand	Shindengenathi East Water Supply Ph 1	0	0	0	0	415,895	0	0	0	1,580,884	567,100	888,400	888,400	4,148,432
DC 26 Zululand	Gumbi Emergency water supply	0	0	0	0	0	0	0	0	0	770,611	881,210	2,151,721	3,151,721
DC 26 Zululand	Mandlazi: RVSS Ph 3C	0	0	0	0	0	0	0	0	0	0	0	0	0
DC 26 Zululand	Shindengenathi West Ph 2.1	239,200	273,260	515,492	757,038	591,735	27,897	206,580	210,902	145,385	200,000	180,000	488,546	2,732,109
DC 26 Zululand	Upgrade of Umlund Sports Complex	542,086	228,817	764,920	359,622	0	0	0	0	11,849	20,000	600,000	600,000	3,136,733
DC 26 Zululand	Rural Sanitation	99,678	0	1,216,784	788,918	0	2,310,945	217,720	1,270,785	21,470,723	1,223,112	1,335,089	998,506	30,810,639
DC 26 Zululand		8,377,086	8,414,433	0	8,824,751	8,880,611	10,087,348	6,418,627	11,331,765	11,604,397	11,604,397	11,604,397	11,604,397	11,604,397
DC 26 Zululand		4%	8%	14%	18%	23%	30%	33%	40%	84%	83%	83%	103%	103%

**APPROVAL OF THE ZULULAND DISTRICT MUNICIPALITY'S REVIEWED SDBIP
FOR THE QUARTER ENDED 31 December 2009.**

The Zululand District Municipality's SDBIP for the quarter ended 31 December 2009 has
been reviewed and approved by the Honorable Mayor: Cllr. V Z Magwaza-Msibi.

Date received:

Date Approved:

Signature:

ITEM FILE NUMBER : 5/1/R

ITEM NUMBER: ZDME: 09 /593

2008 / 2009 ANNUAL REPORT

PURPOSE:

For the Executive Committee to consider the 2008/2009 annual report.

BACKGROUND:

Section 121 of the municipal finance management act, provides that:

(1) Every municipality must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality in accordance with section 129.

(2) The purpose of an annual report is-

(a) to provide a record of the activities of the municipality during the financial year to which the report relates;

(b) to provide a report on performance against the budget of the municipality for that financial year; and

(c) to promote accountability to the local community for the decisions made throughout the year by the municipality.

(3) The annual report of a municipality must include-

(a) the annual financial statements of the municipality, as submitted to the Auditor-General for audit in terms of section 126(1);

- (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
- (c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;
- (d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;
- (e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
- (f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;
- (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
- (h) any explanations that may be necessary to clarify issues in connection with the financial statements;
- (i) any information as determined by the municipality;
- (j) any recommendations of the municipality's audit committee; and
- (k) any other information as may be prescribed.

Section 129 of the MFMA, inter alia, provides that:

(1) The council of a municipality must consider the annual report of the municipality and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council-

(a) has approved the annual report with or without reservations;

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

(2) The accounting officer must-

(a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and

(b) submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

(3) The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption.

RECOMMENDED THAT:

(i) The 2008/2009 annual report be approved without reservations.

(ii) The audit committee and two members of EXCO be appointed to comprise the oversight committee

FOR CONSIDERATION
Annexure

Sthembile S. Msibi

From:

Sent:

To:

Cc:

Attachments:

Sthembile S. Msibi
29 January 2010 03:11 PM
'leneo.mofoka@kzntreasury.gov.za'
Nompilo Zulu; Sibusiso Ntshangase; SB Nkosi; Mbukiso Zuma
Mid-year assessment S72 of the MFMA 09.10.xls

Leneo,

Attached is the midyear assessment for ZDM.

Regards,

Sthe

ZULULAND DISTRICT MUNICIPALITY INCOME AND EXPENDITURE REPORT 2009/10

DESCRIPTION	APPROVED BUDGET	1 JULY	2 AUGUST	3 SEPTEMBER	4 OCTOBER	5 NOVEMBER	6 DECEMBER	V-T-D EXPENDITURE	V-T-D VARIANCE	COMMENTS
OPERATING EXPENDITURE										
Employee salaries and allowances	54,643,564	-	9,997,040.78	5,059,701.09	3,884,749.44	-	7,310,314.86	26,181,876.17	28,461,737.83	
Employee social contributions	11,116,250	-	1,640,451.06	842,681.49	1,611,838.46	-	1,186,503.33	4,281,238.34	6,815,011.66	
Remuneration of Councilors	5,353,601	-	325,705.30	-	162,862.65	-	372,810.83	811,368.78	4,546,232.22	
General Expenses	99,627,499	1,807,510.44	4,136,249.51	4,024,024.15	5,292,213.49	9,310,259.93	8,172,085.98	32,761,259.50	66,866,239.50	
Bulk purchases	32,510,285	513,971.88	4,352,799.43	3,264,723.54	3,541,725.58	3,385,007.66	1,314,498.54	16,560,272.63	16,140,552.37	
Collection Costs	201,104	-	-	-	-	-	-	-	-	
Contracted services	3,429,829	302,391.22	315,690.95	301,865.27	300,396.80	307,268.79	274,794.00	1,802,407.03	1,627,471.97	
Grants and subsidies paid	644,658	-	-	-	-	190,000.00	-	190,000.00	654,658.00	
Interest expenses- External Borrowings	594,508	56,046.35	55,075.88	50,236.05	53,085.10	56,503.55	51,052.27	344,112.20	230,391.60	
Repairs & Maintenance- Municipal Assets	30,413,492	228,618.19	87,009.72	87,130.55	1,090,300.19	1,705,928.55	1,495,211.34	5,301,198.24	25,041,293.66	
Inter- departmental Charges	840,142	-	19,406.67	62,091.18	13,673.97	-	-	121,461.69	716,710.31	
Depreciation	2,877,213	-	-	-	-	-	-	-	-	
Contributions to provisions: Bad debts	-	-	-	-	-	-	-	-	-	
Loss on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	
DIRECT OPERATING EXPENDITURE	242,475,145	3,908,604.08	20,859,428.80	14,496,512.32	18,968,882.12	10,977,032.44	20,060,120.92	88,274,575.68	154,200,569.32	
TOTAL OPERATING EXPENDITURE	242,475,145	3,908,604.08	20,859,428.80	14,496,512.32	18,968,882.12	10,977,032.44	20,060,120.92	88,274,575.68	154,200,569.32	
OPERATING INCOME										
Property rates	-	-	-	-	-	-	-	-	-	
Plus: penalties imposed	-	-	-	-	-	-	-	-	-	
Service charges	-	-	-	-	-	-	-	-	-	
Grants and Subsidies	18,500,488	1,593,750.13	1,938,247.01	1,597,197.87	203,941.18	5,138,855.78	1,325,624.86	11,297,616.83	6,711,871.17	
Interest earned - external investments	33,882,000	91,453,998.00	19,750,000.00	22,031,270.76	5,373,615.58	44,500,000.00	41,886,311.00	224,595,181.34	133,608,818.66	
Interest earned - outstanding loans	13,000,000	457,228.88	928,251.92	699,596.33	843,994.78	658,011.38	790,629.51	4,377,719.40	8,622,280.60	
Rent: Facilities & Equipment	-	-	-	74,279.21	-	-	-	24,279.21	-	
Gains on disposal of property, plant and equipment	280,000	-	77,480.71	132,543.92	58,792.95	140,401.61	95,806.19	561,501.67	278,000.00	
Other income	-	56,478.46	-	-	-	-	-	-	-	
Dividends received: External entities	-	-	-	-	-	-	-	-	-	
TOTAL OPERATING INCOME	310,413,488	94,564,455	22,484,605.67	24,484,888.49	64,480,330.48	10,437,265.57	44,091,713.58	286,274,376	-154,200,569.32	
SURPLUS / DEFICIT	118,138,443	90,655,851	1,625,187	9,988,376	-12,488,552	39,000,216	24,031,581	-68,274,376	-154,200,569.32	
CAPITAL PROJECTS										
REVENUE CONTRIBUTION										
CAPITAL GRANTS	13,415,650	-	269,731.77	102,200.00	2,044,259.98	799,469.94	102,172.02	3,410,033.71	10,004,816.29	
	183,542,000	115,318.00	9,403,850.00	10,489,035.54	15,942,691.44	19,068,919.66	10,453,115.72	65,474,970.36	118,607,028.64	
TOTAL CAPITAL	196,957,650	115,318.00	9,673,581.77	10,591,235.54	17,986,951.42	19,868,389.60	10,655,287.74	68,885,004.07	128,611,844.93	
CAPITAL SOURCE OF FUNDING										
REVENUE CONTRIBUTION	13,415,650	-	-	-	-	-	-	-	-	
CAPITAL GRANTS	183,542,000	23,873,400.00	19,000,000.00	21,900,000.00	3,300,000.00	44,500,000.00	5,802,700.00	118,381,100.00	65,160,900.00	
TOTAL CAPITAL SOURCE OF FUNDING	196,957,650	23,873,400.00	19,000,000.00	21,900,000.00	3,300,000.00	44,500,000.00	5,802,700.00	118,381,100.00	76,576,550.00	

Notes: Figures are validated in project